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ABSTRACT

After remaining virtually unchanged from 1995 through the 1970s, the wage gap between women and men began to decline in the 1980s. By the early 1990s, the ratio of the annual earnings of women employed full time year-round to the annual earnings of their male counterparts reached 72.0%. That ratio decreased slightly (to 71.4%) in 1995. The wage gap between women's and men's earnings is larger for self-employed workers. Nearly three-fourths of the reduction in the gap between women's and men's wages has been the result of the falling earnings of men rather than improvement in women's earnings. Both Black and Hispanic workers of both genders have continued to earn much less than white men. Women and people of color earn less than white men at all levels of educational levels of attainment, with men with a high school diploma earning nearly as much as women college graduates. The size of the wage gap between women and men varies by occupational group. The wage gap is largest in nonprofessional jobs and jobs not requiring a college degree and among workers in the 25-34 age group. Female registered nurses, however, earn more than their male counterparts.
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Briefing Paper

THE WAGE GAP: WOMEN'S AND MEN'S EARNINGS

The wage gap between women and men, which had remained virtually constant from 1955 through the 1970's, began to decline in the 1980's. The ratio of women's annual earnings to men's for full-time year-round workers increased gradually over the 1980's and early 1990's, reaching 72.0 percent in 1994 and falling slightly to 71.4 in 1995. The ratio of women's weekly earnings to those of men rose from 62.3 percent in 1970 to 76.8 in 1993, and fell slightly to 75.4 percent in 1995. The weekly figures include earnings of wage and salary workers only. Male-female differences are larger for self-employed workers who are included in the annual figures.

TABLE 1. Women's Earnings as a Percentage of Men's Among Full-time Workers, 1955-1995

<u>Year</u>	<u>Median Annual Earnings Year-Round Workers</u>	<u>Median Weekly Earnings</u>
1955	63.9	
1960	60.7	
1965	59.9	
1970	59.4	62.3
1975	58.8	62.0
1976	60.2	62.2
1977	58.9	61.9
1978	59.4	61.3
1979	59.7	62.5
1980	60.2	64.4
1981	59.2	64.6
1982	61.7	65.4
1983	63.6	66.7
1984	63.7	67.8
1985	64.6	68.2
1986	64.3	69.2
1987	65.2	70.0
1988	66.0	70.2
1989	68.7	70.1
1990	71.1	71.8
1991	69.9	74.0
1992	70.6	75.6
1993	71.5	76.8
1994	72.0	76.4
1995	71.4	75.4

Note: The median annual ratio of women's to men's earnings represents workers 15 years and older; the median weekly figure represents workers 16 years and older, who were wage and salary workers and did not necessarily work year-round.

CLOSING THE GAP

For women's wages to catch up to men's, their real wages must rise faster than men's, but men's need not fall. The reduction in the wage gap represents progress in the labor market position of women, but part of the closing of the gap represents a decline in the position of men. During this period the real earnings of men fell (after controlling for inflation). If men's annual earnings had remained at their 1979 levels in real terms, the female-male earnings ratio would have risen to only 63.0 percent rather than 71.4 percent, from 59.7 percent. Thus, nearly three-quarters of the reduction in the wage gap has been due to the falling earnings of men rather than to improvement in women's earnings.

TABLE 2. Median Annual Earnings of Women and Men in Current and Constant Dollars for Full-Time, Year-Round Workers, 15 and Older, 1979-1995

	<u>Current Dollars</u>			<u>Constant (1990) Dollars*</u>		
	<u>Women</u>	<u>Men</u>	<u>Ratio</u>	<u>Women</u>	<u>Men</u>	<u>Ratio**</u>
1979	\$10,151	\$17,014	59.7	\$18,274	\$30,629	59.7
1985	15,624	24,195	64.6	18,978	29,389	61.9
1990	19,816	27,866	71.1	19,816	27,866	64.7
1991	20,553	29,421	69.9	19,723	28,232	64.4
1992	21,440	30,358	70.6	19,972	28,280	65.2
1993	21,747	30,407	71.5	19,670	27,503	64.2
1994	22,205	30,854	72.0	19,583	27,211	63.9
1995	22,497	31,496	71.4	19,294	27,011	63.0

*CPI adjusted

**Hypothetical ratio calculated with men's real wages in 1979 as base; i.e., calculated as if men's real wages had not fallen. The difference between the actual ratio and the hypothetical ratio ($71.4 - 63.0 = 8.4$) in 1995, as a proportion of the overall increase in the actual ratio between 1979 and 1995 ($71.4 - 59.7 = 11.7$), is a measure of the increase in the ratio due to the fall in men's real wages, or 71.8 percent ($8.4/11.7$), or nearly three-quarters.

RACE AND ETHNIC DIFFERENCES IN EARNINGS

As illustrated in Table 3 below, black and Hispanic workers of both sexes continue to earn much less than white men.

TABLE 3. Median Annual Earnings of Women and Men for Full-Time, Year-Round Workers, Aged 15 and Older, By Race and Ethnicity, 1995

	<u>Women</u>	<u>Men</u>	<u>Ratio</u>
All Races	\$22,497	\$31,496	71.4*
White	22,911	32,172	71.2*
African American	20,665		64.2*
Hispanic**	17,178		53.4*
African American		24,428	75.9*
Hispanic**		20,379	63.3

*The base for this ratio is the earnings of white men.

**Persons of Hispanic origin may be of any race.

The Institute for Women's Policy Research (IWPR) is an independent, nonprofit research institute dedicated to conducting and disseminating research that informs public policy debates affecting women. This Briefing Paper is based on data taken from published and unpublished federal data sources and was prepared by Lois Shaw with the assistance of Melinda Gish, Jill Braunstein, and Sara Allore and updated by Jodi Burns in January 1997. Members and affiliates of IWPR receive several Briefing Papers and additional papers and materials. Please contact the Institute at (202) 785-5100 for information about individual and organizational memberships.

EARNINGS DIFFERENCES BY EDUCATIONAL LEVEL

At all levels of educational attainment, women and people of color earn less than white men. Men with a high school education earn nearly as much as women college graduates.

TABLE 4. Mean Annual Earnings of Women and Men, 18 and Older, by Educational Level, 1995

		<u>High School</u>	<u>College (B.A.)</u>	<u>Post-graduate (Masters)</u>
White				
	Women	\$16,196	\$26,916	\$35,125
	Men	27,467	47,016	58,817
Black				
	Women	14,473	25,577	35,222
	Men	19,514	36,026	41,777
Hispanic*				
	Women	14,989	25,338	33,390
	Men	20,882	35,109	38,539
All				
	Women	15,970	26,841	34,911
	Men	26,333	46,111	58,302

* Persons of Hispanic origin may be of any race.

EARNING DIFFERENCES BY OCCUPATION

TABLE 5. Earning Differences between Men and Women within Occupational Categories

<u>Occupation</u>	<u>1983</u>		<u>1993</u>	
	<u>percent female</u>	<u>earnings ratio</u>	<u>percent female</u>	<u>earnings ratio</u>
Teachers, Secondary Education	49.1	88.0	55.1	90.2
Teachers, College and University	28.5	79.3	35.5	77.1
Computer Programmers	31.9	80.8	30.7	89.8
Bookkeepers, Accountants and Auditors	89.2	81.2	90.0	94.4
Registered Nurses	94.4	99.7	93.2	101.5
Nursing Aides, Orderlies and Attendants	86.8	80.4	85.9	93.3
Social Workers	62.8	77.4	66.8	86.6
Lawyers	20.2	87.9	29.2	83.7
Administrative Support Occupations, Misc.	85.2	74.5	81.9	77.1
Supervisors, Production Occupations	13.9	63.3	15.5	66.0
Supervisors, Food Preparation and Service Occupations	51.8	68.6	56.4	67.1
Janitors and Cleaners	20.5	79.9	23.0	80.2

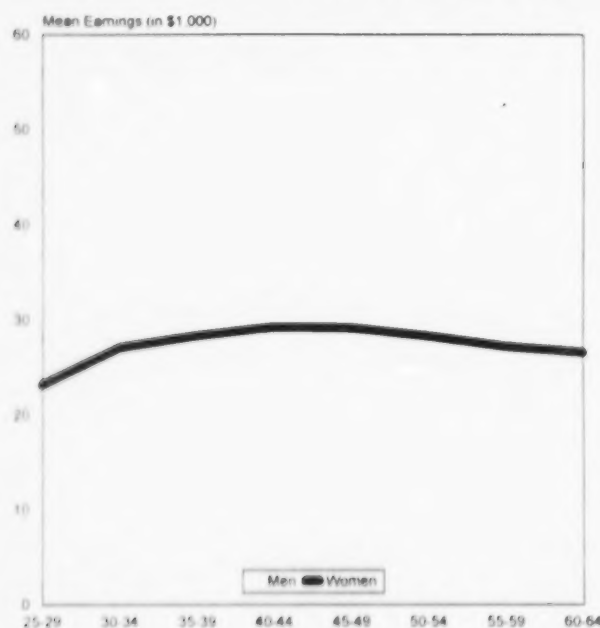
AGE DIFFERENCES IN EARNINGS

The gap between women's and men's earnings is smallest at younger ages and increases with age. Men's earnings rise substantially until they are in their fifties, while women's earnings show little growth over the life cycle.

TABLE 6. Mean Annual Earnings of Women and Men for Full-Time, Year-Round Workers by Age, 1995

Age Group	Women	Men	Ratio
25 - 29	\$23,089	\$28,033	82.4
30 - 34	27,045	35,833	75.5
35 - 39	28,301	42,126	67.2
40 - 44	29,233	47,182	62.0
45 - 49	29,155	49,594	58.8
50 - 54	28,299	49,525	57.1
55 - 59	27,179	45,603	59.6
60 - 64	26,558	46,301	57.4

Figure 1. Gap between Women's and Men's Earnings by Age, 1995



DATA SOURCES

Table 1. Data through 1983 are from Francine D. Blau and Marianne A. Ferber, *The Economics of Women, Men and Work* (Prentice-Hall, 1986). Annual data from 1984 through 1994 are from the Census Bureau, U.S. Department of Commerce, *Current Population Reports*, Consumer Income Series P-60, nos. 167 (Table 26), 172 (Table 24), 174 (Table 24), 180 (Table 24), 184 (Table 31), and 193 (Table A). Weekly data from 1984 through 1995 are from the U.S. Department of Labor, Bureau of Labor Statistics, *Employment & Earnings*, January issues.

Table 2. Census Bureau, U.S. Department of Commerce, *Current Population Reports*, P60-189 (Table A) and P60-193 (Table A).

Table 3. Census Bureau, U.S. Department of Commerce, *Current Population Reports*, P60-193 (Table 10).

Table 4. Unpublished data from the Current Population Survey, Bureau of the Census, Table PINC-06A, March 1996.

Table 5. 1983 data are from the Bureau of Labor Statistics, U.S. Department of Labor, unpublished tabulations from the CPS, 1983 Annual Averages, median weekly earnings; 1993 data are from the Bureau of Labor Statistics, U.S. Department of Labor, unpublished tabulations from the CPS, 1993 Annual Averages, median weekly earnings.

Table 6 and Figure 1. Census Bureau, U.S. Department of Commerce, *Current Population Reports*, P60-193 (Table 9).